



House of Representatives

General Assembly

File No. 278

January Session, 2011

House Bill No. 6382

House of Representatives, March 29, 2011

The Committee on Banks reported through REP. TONG of the 147th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE BANKING FUND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (a) and (b) of section 36a-65 of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2011*):

4 (a) The commissioner shall annually, on or after July first for the
5 fiscal year commencing on said July first, collect pro rata based on
6 asset size from each Connecticut bank and each Connecticut credit
7 union an amount sufficient in the commissioner's judgment to meet
8 the expenses of the Department of Banking, including a reasonable
9 reserve for contingencies, provided the commissioner shall not collect
10 such amount from a newly organized Connecticut credit union until
11 July first following the third full calendar year after issuance by the
12 commissioner of such credit union's certificate of authority. Such
13 assessments and expenses shall not exceed the budget estimates
14 submitted in accordance with section 36a-13. Such assessments may be
15 made more frequently than annually at the discretion of the

16 commissioner. Such assessments for any fiscal year shall be reduced
17 pro rata by the amount of any surplus from the assessments of prior
18 fiscal years, which surplus shall be maintained in accordance with
19 subdivision [(4)] (5) of subsection (b) of this section. The commissioner
20 may reduce any such assessment collected from a Connecticut bank up
21 to the amount of any assessment for the same fiscal year collected from
22 such bank by another state in which such bank has established a
23 branch, limited branch or mobile branch. The commissioner may
24 reduce any such assessment collected from a Connecticut credit union
25 up to the amount of any assessment for the same fiscal year collected
26 from such credit union by another state in which such credit union has
27 established a branch. Such assessments for any fiscal year shall be a
28 liability of such banks and credit unions as of the assessment date.
29 Except as provided in this subsection, such assessments shall not be
30 prorated for any reason.

31 (b) (1) Each such bank and credit union shall pay the commissioner
32 the amount allocated to it [within] not later than twenty business days
33 from the [time] date on which the commissioner mails a notice to it of
34 the amount due. [, with an additional two hundred dollars if the
35 amount allocated is not paid in the time specified. The provisions of
36 this subdivision shall not apply to any person required to pay the
37 commissioner any fee for license or registration or the whole cost of all
38 examinations made by the commissioner.]

39 (2) Each such bank and credit union shall pay the commissioner an
40 additional two hundred dollars if the amount allocated is not paid in
41 the time specified in subdivision (1) of this subsection. The provisions
42 of this subdivision shall not apply to any person required to pay the
43 commissioner any fee for license or registration or the whole cost of all
44 examinations made by the commissioner. The State Treasurer shall
45 place all funds received by the commissioner pursuant to this
46 subdivision into the General Fund.

47 [(2)] (3) The State Treasurer shall place all funds received from the
48 commissioner and all moneys received from any person for documents

49 or reports sold by the commissioner pursuant to subdivision (1) of
 50 subsection (b) of this section in a special fund to be known as the State
 51 Banking Fund. Amounts in the fund may be expended only pursuant
 52 to appropriation by the General Assembly.

53 [(3)] (4) The Comptroller shall determine for each fiscal year the
 54 expenses of the Department of Banking.

55 [(4)] (5) The Secretary of the Office of Policy and Management shall
 56 examine the State Banking Fund annually after the Comptroller has
 57 made his determination and shall direct the Treasurer to set aside
 58 within the Banking Fund amounts in excess of a reasonable reserve for
 59 contingencies, which excess amounts shall be considered a surplus for
 60 the purposes of subsection (a) of this section.

61 Sec. 2. (NEW) (*Effective July 1, 2011*) Any fines, civil penalties or
 62 restitution imposed by the Banking Commissioner or ordered by a
 63 court of competent jurisdiction in accordance with section 36a-50, 36a-
 64 53 or 36a-57 of the general statutes shall be deposited into the General
 65 Fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011</i>	36a-65(a) and (b)
Sec. 2	<i>July 1, 2011</i>	New section

BA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Banking Dept.	BF - Revenue Loss	1,500,000	1,500,000
Banking Dept.	GF - Revenue Gain	1,500,000	1,500,000

Note: BF=Banking Fund; GF=General Fund

Municipal Impact: None

Explanation

The bill results in a revenue loss of \$1,500,000 to the Banking Fund and a revenue gain of \$1,500,000 to the General Fund by shifting the revenue from various fees, fines and civil penalties from the Banking Fund to the General Fund.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of fines assessed.

OLR Bill Analysis**HB 6382*****AN ACT CONCERNING THE BANKING FUND.*****SUMMARY:**

This bill shifts the following funds from the Banking Fund to the General Fund: (1) the \$200 fee that Connecticut banks and credit unions must pay if they do not pay their annual assessment for the Banking Department's expenses in a timely fashion and (2) fines, civil penalties, or restitution imposed by the banking commissioner or ordered by a court stemming from violations of the banking laws. The bill does not increase the amount of any such fees or fines.

The bill also makes technical changes.

COMMITTEE ACTION

Banks Committee

Joint Favorable

Yea 11 Nay 6 (03/15/2011)